

**Subpart C—Procedures for Nomination of
Renewal Communities**

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AUTHORITY: 26 U.S.C. 1400E; 42 U.S.C. 3535(d).

SOURCE: 66 FR 35855, July 9, 2001, unless otherwise noted.

Subpart A—General Provisions**§ 599.1 Applicability and scope.**

(a) This part establishes requirements and procedures applicable to the designation of Renewal Communities (RCs) through December 31, 2001, authorized under Subchapter X of the Internal Revenue Code of 1986 (26 U.S.C. 1400E, et seq.). HUD may choose to use these requirements and procedures in whole or in part for any future Renewal Community designations that may be authorized.

(b) This part contains provisions relating to area requirements, the nomination process for Renewal Communities, and the evaluation and designation of nominated areas by HUD.

§ 599.3 Definitions.

In addition to the definitions of “HUD” and “Secretary” found in 24 CFR 5.100, the following definitions apply to this part:

Census tract means a census tract, as the term is used by the Bureau of the Census, or, if census tracts are not defined for the area, a block numbering area.

Designation means the process by which the Secretary designates areas as Renewal Communities eligible for tax incentives and credits established by Subchapter X of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1400E, et seq.) and for any additional assistance that may be made available.

Empowerment Zone (EZ) means an area so designated by the Secretary in accordance with 24 CFR part 597 or 24 CFR part 598.

Enterprise Community (EC) means an area so designated by the Secretary in accordance with 24 CFR part 597.

Local government means any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and any combination of these political subdivisions that is recognized by the Secretary.

Metropolitan Area (MA) means an area as defined to be a Metropolitan Statistical Area or Primary Metropolitan Statistical Area by the Office of Management and Budget on June 30, 1999.

Nominated area means an area with a population of not more than 200,000 that is nominated by one or more local governments and the State or States in which it is located, or the governing body of the Indian reservation in which it is located, for designation in accordance with this part.

Renewal Community (RC) means an area so designated by HUD in accordance with this part.

Rural area means a nominated area:

- (1) Which is within a local government jurisdiction or jurisdictions with a population of less than 50,000; or
- (2) Which is outside of an MA; or
- (3) Which is determined by HUD, after consultation with the Secretary of Commerce, to be a rural area. An area may qualify as a rural area under this paragraph (3) of this definition if:

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(i) It is a nominated area that crosses jurisdictional boundaries;

(ii) The total population of the nominated area does not exceed 200,000;

(iii) The nominated area as a whole would not satisfy the requirements of either paragraph (1) or (2) of this definition;

(iv) Each portion of the nominated area that is located within a separate jurisdiction meets the requirements of either paragraph (1) or (2) of this definition; and

(v) The area is specifically nominated as a rural area; or

(4) Which does not meet the requirements of either paragraph (1), (2), or (3) of this definition but which is determined by HUD on a case-by-case basis, after consultation with the Secretary of Commerce, to be a rural area based on information submitted to demonstrate that the nominated area should be considered as a rural area.

State means any State of the United States.

Urban area means a nominated area that is not a rural area.

§ 599.5 Data used for eligibility determinations.

(a) *Source of data.* The data to be used in determining the population, poverty rate, unemployment rate and household income distribution information of an area is from the 1990 Decennial Census.

(b) *Geographic boundaries.* The boundary of an area that is nominated for designation as an Renewal Community must coincide with the boundaries of census tracts, as defined in § 599.3 except in the case of Indian reservation areas where the use of census tracts would tend to include areas outside the jurisdiction of the reservation governing body and such body is not making the nomination in concert with another jurisdiction.

Subpart B—Eligibility Requirements for Nomination of Renewal Communities

§ 599.101 Eligibility to submit nominations.

(a) *In general.* Except as provided in paragraph (b) of this section, a nomination for the designation of an area as a

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Renewal Community must be submitted by one or more local governments and the State or States in which the nominated area is located.

(b) *Nominated areas on Indian reservations.* In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) must submit the nomination and shall be treated as being both the State and local governments with respect to the area for purposes of this part.

(c) *Responsible official.* The submission of an application, and any other action required of a nominating government under this part, such as the submission of a certification, must be performed by an official or employee authorized to act on behalf of the government for that purpose.

§ 599.103 Geographic and population requirements for a nominated area.

(a) *Geographic requirements.* A nominated area must meet the following geographic requirements to be eligible for designation as a Renewal Community:

(1) The area must be within the jurisdiction of one or more local governments.

(2) The boundary of the area must be continuous.

(i) The boundary line of the nominated area may be interrupted by jurisdictional boundaries, such as State or county lines, or natural boundaries, such as rivers, as long as the resulting area is entirely within the boundary line except for the interruptions.

(ii) The nominated area may enclose an area or areas that are excluded from the nominated area, as long as each enclosed area to be excluded is within a continuous boundary line.

(3) The nominated area may be any size, as long as it meets all of the requirements of this part.

(b) *Population requirements—*(1) *In general.* Except as provided in paragraph (b)(2) of this section, a nominated area must have a population of not more than 200,000 and at least:

(i) 4,000 if any portion of the area (other than a nominated rural area) is located within an MA which has a population of 50,000 or greater; or

(ii) 1,000 in any other case.